

State of Texas
House of Representatives

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March 27, 2012

Chairman Julius Genachowski
Commissioner Robert McDowell
Commissioner Mignon Clyburn
Federal Communications Commission
445 12th Street, S.W.
Washington, DC 20554

**Re: Big Bend Telephone Company, Inc. Petition for Waiver, Connect America Fund, Report and Order and Further Notice of Proposed Rulemaking, WC Docket No. 10-90, GN Docket No. 09-51, WC Docket No. 07-135, WC Docket No. 05-337, CC Docket No. 01-92, CC Docket No. 96-45, WC Docket No 03-109, WT Docket No. 10-208
Ex Parte Letter**

Dear Mr. Chairman and Commissioners:

I write to formally request the Federal Communications Commission (FCC) to grant the petition for waiver submitted by Big Bend Telephone Company (BBTC) in the above captioned proceeding. In the petition, BBTC seeks relief from changes that the FCC is implementing this year which will put all customers in BBTC's service area at risk of losing access to both voice and broadband services.

As the state representative for Texas House District 74, Texas House of Representatives, I represent not only BBTC but also its customers and customers of the multiple wireless and other communications providers, all of which rely exclusively on BBTC for transport to provide their services. As you may be aware, BBTC serves rural residential and business customers in the sparsely-populated, rugged terrain in far West Texas - one of the highest cost to serve areas in the country. The

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BBTC's service area, like my district, is massive--17,593 sq. miles, larger than 9 states—and sparsely-populated over rugged terrain in far West Texas. In fact, BBTC serves 0.3 customers per square mile. BBTC's service area is one of the highest cost-to-serve areas in the country. BBTC has overcome and continues to manage high cost challenges through an innovative and cost-effective combination of wireline, wireless and satellite solutions that make BBTC a truly High Cost Provider in comparison to other rural communications companies both in the state and the nation.

This uniqueness is in part due to the fact that BBTC must deploy and maintain a higher level of network redundancy and resiliency than a company of its size and scale would ordinarily need in order to meet the needs of the many federal and state institutions tasked with securing the border, including the U.S. Border Patrol, the Department of Homeland Security, and the Department of Immigration, Customs, and Enforcement. Additionally, BBTC's employees must be trained to handle the prioritization of network repairs for such institutions under the FCC's Telecommunications Service Priority System. BBTC is the epitome of why universal service was created and is still needed today.

As you may be aware, BBTC is the only terrestrial voice and broadband provider that covers its entire service area and does so by proactively taking measures to improve its efficiency by sharing additional responsibilities among its lean staff, trimming employee benefits, and searching out new and more efficient technological solutions to solve its network challenges. And as you can appreciate, our rural communities rely on BBTC's service and infrastructure to connect with one another and indeed, the world. Without high quality voice and broadband services, we would not be able to conduct our businesses, run our local governments, protect our borders, or communicate with loved ones.

It is my understanding that the FCC's recent Order would deny BBTC the ability to recover the very high costs that it must incur in order to serve its vast sparsely populated service area. As demonstrated in BBTC's petition for waiver, this reduction of universal service support to BBTC is projected to cause BBTC to default on its loan covenants by 2013 and cause the Company and its affiliates to be out of cash by January 2016. Under these projected universal service fund limitations, bankruptcy would be inevitable. This would indeed jeopardize BBTC's ability to continue to offer vital voice and broadband services to its customers, including local governments, law enforcement agencies, federal and state border security institutions, businesses, schools and libraries and residents as well as the customers served by all of the other communications providers that rely exclusively on BBTC's network to provide their services. Accordingly, unless the Commission waives its rules as applied to BBTC, the only communications network capable of serving the needs of these rural communities will be shut down.

As a result, quite simply, without federal universal service support BBTC will soon be forced to shut

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would be severely hampered. Local governments would be affected by disruption and loss of voice and broadband service, including city and county governments, and first responders such as EMS, fire fighters, and local law enforcement.

I cannot imagine a scenario in which basic communications will be lost in such a wide, diverse, and vital segment of the country. We may reside in rural America, but we deserve the same voice and broadband service found in cities at reasonable rates. Indeed, universal service was designed and intended for the benefit of people in rural America—people like the consumers of BBTC.

Because of its critical service to our rural communities, I ask that every consideration be given to approve BBTC's petition for waiver.

Thank you again for your attention to this matter. If I can be of further insight or assistance, please do not hesitate to contact me.

Sincerely,

A handwritten signature in black ink, appearing to read "Pete Gallego", with a stylized flourish extending from the end.

Pete Gallego